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DCI PRESENTATION OF IC AWARDS

14 FEBRUARY 1986

GREETINGS! GOOD AFTERNOON!

JUDGE WEBSTER, MEMBERS OF THE NATIONAL FOREIGN INTELLIGENCE BOARD, COLLEAGUES, FRIENDS AND FAMILIES OF THE INTELLIGENCE COMMUNITY MEMBERS, I APOLOGIZE FOR BEING A LITTLE LATE. I WAS TAKING A CALL FROM BILL CASEY, WHO CALLED TO APOLOGIZE FOR NOT BEING HERE. SINCE HE WAS CALLING FROM THE GOLF COURSE IN FLORIDA, I QUESTIONED HIS SINCERITY IN THE CALL.

EVERY YEAR THE INTELLIGENCE COMMUNITY PAUSES IN ITS RUSH TO GIVE RECOGNITION TO A SELECTED FEW FROM WITHIN THE COMMUNITY WHOSE CONTRIBUTION TO OUR NATIONAL INTELLIGENCE EFFORT HAS BEEN UNIQUE, SIGNIFICANT, AND DISTINGUISHED. TODAY, WE DO THAT FOR A SELECTED FEW WHO BY THEIR ACTION, THEIR PERFORMANCE OF A TOUR OF DUTY WITH MANY OF THE

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INTELLIGENCE ORGANIZATIONS, OR FOR THAT MATTER, FOR A CAREER, HAVE GIVEN DEDICATION AND DISTINGUISHED EFFORTS THAT SINGLE THEM OUT FROM AN INTELLIGENCE COMMUNITY THAT IS REALLY SECOND TO NONE IN THE WORLD.

I THINK THERE ARE MANY HERE WHO CAN WELL RECALL NOT VERY LONG AGO IN THE MID-TO LATE-1970'S WHEN THE INTELLIGENCE COMMUNITY WAS DECIMATED BY REDUCTIONS. REDUCTIONS IN DOLLARS AS WELL AS PEOPLE THAT SAW 50 PERCENT OF OUR PEOPLE AND 40 PERCENT OF OUR FUNDS CUT. FORTUNATELY, IN THE LAST FIVE YEARS WE HAVE BEGUN REBUILDING. WE HAVE INCREASED OUR FINANCIAL RESOURCES BY SOME 195 PERCENT. WE HAVE INCREASED OUR PEOPLE BY 23 PERCENT. BUT MORE IMPORTANTLY, WE HAVE INCREASED OUR INTERAGENCY INTELLIGENCE PRODUCTION BY 215 PERCENT, WHICH MEANS THAT UNCLE SAM IS INDEED GETTING A BIGGER BANG FOR HIS BUCK.

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WE REALLY CAN'T REST EASY WITH THAT, BECAUSE AS THE SAYING GOES, THE WORLD BECOMES MORE COMPLEX EACH DAY. WE STILL HAVE FORMIDABLE FOES OUT THERE WHO FORCE INTELLIGENCE REQUIREMENTS TO EXCEED ALL EXPECTATIONS. WE HAVE THE SOVIET UNION THAT IN THE PAST TEN YEARS HAS BUILT AN ENORMOUS MILITARY CAPABILITY.

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NO MATTER WHERE YOU LOOK, THEY ARE DOING MORE. AND, OF COURSE, THE ONUS IS ON THE INTELLIGENCE COMMUNITY TO STAY ABREAST OF THESE SYSTEMS -- NOT ONLY THEIR DEPLOYMENT BUT ALSO THE R AND D EFFORTS THAT GO INTO SUPPORTING THEIR CONTINUED PERFECTION OR UPGRADING.

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ADDED TO THAT, WE HAVE THE SOVIET UNION NOW REACHING OUT AROUND THE WORLD. WE ARE WELL AWARE OF THE BRIDGEHEAD THAT THEY BUILT IN CUBA. WE SEE THEM BUILDING ANOTHER ONE IN NICARAGUA, WHILE OUR CONGRESS DEBATES THE TRUE INTENTIONS OF THE SANDINISTA REGIME. WE SEE THE SOVIETS WITH 35,000 CUBANS IN ANGOLA. YOU SAW WHAT HAPPENED TO A PRO-SOVIET LEADER IN SOUTH YEMEN WHEN HE BEGAN TO THINK OF OPENING HIS BORDERS TOWARDS THE WEST AND ENGAGING IN A DIALOGUE IN THE WEST. WE SEE THE ETHIOPIANS VERY MUCH ON THE HEELS OF THE SOVIETS AND THEIR DESIRES. AND THEN WE SEE THE SOVIETS IN NORTH VIETNAM WELL POSITIONED IN BASES THAT WE BUILT.

IF WE TURN AWAY JUST A LITTLE BIT FROM THE SOVIETS, WE CAN SEE THE THIRD WORLD CAUSING ENORMOUS INTELLIGENCE PROBLEMS WITH A DEBT OF \$720 BILLION AND ALL THE INSTABILITY ASSOCIATED WITH THAT. WE SEE THE WHOLE ECONOMY OF THE WORLD VERY MUCH ON OUR PLATTER, AND WE NEED TO TRY AND KEEP TRACK OF THAT. WITH

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THAT ECONOMY GOES TRADE. WE SEE OUR ALLIES COMPETING FOR
MARKETS THAT WERE ONCE OURS. IN FACT WE FIND THAT OUR FRIENDS
ARE AS MUCH A THREAT TO OUR NATIONAL INTEREST AS OUR ENEMIES.

AGAINST THIS BACKDROP OF INTELLIGENCE REQUIREMENTS THAT
LOOK INTO THE NORMAL POLITICAL, MILITARY AND ECONOMIC
CONCERNS, WE ALSO HAVE THAT INSIDIOUS AND GROWING INDUSTRY OF
TERRORISM. AND THE PROBLEM OF COPING WITH THAT TERRORISM IS
BEING LAID ON THE INTELLIGENCE COMMUNITY TO SOLVE. MEANWHILE,
NATIONS SUCH AS LIBYA AND IRAN EXPORT TERRORISM AS A FORM OF
THEIR FOREIGN POLICY. WHAT IS DOUBLY DIFFICULT NOW IS THAT
THE TARGET FOR THAT TERRORISM IS AMERICAN -- AMERICAN
INSTALLATIONS, AMERICAN INTERESTS.

IT IS PRETTY HARD TO SIT BY AND LOOK AT WHAT'S GOING ON IN
THE UNITED STATES AND NOT BE AWARE OF ANOTHER TREMENDOUS
THREAT, THE THREAT OF NARCOTICS AS THEY CONTINUE TO FLOW INTO

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THIS COUNTRY. THERE ARE SO MANY DOLLARS INVOLVED. BEST ESTIMATES OUT OF DEA WILL RANGE BETWEEN A STREET MARKET VALUE OF \$75 TO \$100 BILLION WORTH OF NARCOTICS IN THE UNITED STATES. AS YOU KNOW, THIS STIMULATES ALL KINDS OF IMAGINATION AND CLEVER WAYS TO BRING THEM IN. OF COURSE, WE ARE ASKED TO COPE WITH TRYING TO STEM THE FLOW, IDENTIFY THE GROWING AREAS, AND IDENTIFY THOSE MINISTERS AND HEADS OF GOVERNMENT WHO HAVE THEIR HANDS VERY MUCH IN NARCOTICS TRAFFICKING, WHERE THEY CAN MAKE A FEW EASY BUCKS.

TECHNOLOGY TRANSFER, WHICH WE HAVE LONG BEEN WORRYING ABOUT, STILL IS WITH US AND WILL PROBABLY PROLIFERATE CONSIDERABLY AS SDI GROWS. AS THE US OPENS UP RESEARCH IN SDI THROUGH FOREIGN COMPETITORS, WE CAN SEE THE SOVIETS LICKING THEIR CHOPS WITH SDI TECHNOLOGY AS A HIGH PRIORITY ON THEIR LIST. SO WE HAVE A GREAT DEAL TO LOOK FORWARD TO.

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THOSE WE RECOGNIZE TODAY HAVE MADE THEIR CONTRIBUTION,
HAVE CERTAINLY SET US AN EXAMPLE, AND UNFORTUNATELY STILL
LEAVE US WITH A HELL OF A LOT TO DO. I WOULD LIKE NOW TO ASK
BOB MAGEE, DIRECTOR OF PERSONNEL AND CHAIRMAN OF THE
INTELLIGENCE COMMUNITY AWARDS PANEL, AND CHIEF
OF THE PROTOCOL BRANCH, TO PLEASE JOIN ME ON STAGE WHILE WE
PAY TRIBUTE TO OUR AWARDEES TODAY. THANK YOU!

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(Presentation of Awards by Mr. Magee)

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MR. MCMAHON'S REMARKS PRIOR TO AWARD PRESENTATION TO FORMER
ASSISTANT DIRECTOR, INTELLIGENCE DIVISION, FBI, MR. EDWARD J.
O'MALLEY:

THERE IS A VERY KEY AND VERY FUNDAMENTAL PART OF OUR
INTELLIGENCE EFFORT THAT TO AN APPRECIABLE DEGREE FOR YEARS
HAS REMAINED HIDDEN. IN THE LAST TWO YEARS OR SO THE UNITED
STATES HAS BUILT UP A TREMENDOUS COUNTERINTELLIGENCE
CAPABILITY. THE TROUBLE WITH COUNTERINTELLIGENCE IS THAT WHEN
YOU ARE SUCCESSFUL, IT'S EMBARRASING. WHEN YOU FIND AN
INDIVIDUAL IN YOUR COMMUNITY OR ORGANIZATION THAT VIOLATES OUR
ESPIONAGE LAWS, THAT'S A GREAT EVENT. BUT FINDING THAT
INDIVIDUAL OUT IS ACCOMPANIED BY SUFFERING THE EMBARRASSMENT
OF ONE OF YOUR FAMILY MEMBERS DOING SOMETHING LIKE THAT. WE
ARE FORTUNATE TODAY TO HAVE A COUNTERINTELLIGENCE CAPABILITY
THAT HAS BEEN BUILT UP THROUGH THE EFFORTS OF AN INDIVIDUAL

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THAT WE WANT TO HONOR NEXT, ED O'MALLEY. ED HAS BEEN A
KEYSTONE IN DEVELOPING THROUGHOUT THE COMMUNITY AS WELL AS IN
HIS OWN AGENCY, THE FBI, SOMETHING THAT WE SHOULD ALL BE PROUD
OF. AND I AM PARTICULARLY PLEASED THAT THROUGH ED'S EFFORTS
WE ARE NOW ABLE TO BE EMBARRASSED QUITE A BIT.

(Presentation to Mr. O'Malley by Mr. Magee.)

(Presentation to General Williams by Mr. Magee.)

(Presentation of MUC to Navy Operational Intelligence Center
by Mr. Magee.)

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